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INCOMING TELEGRAM

Department of State

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Action

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Rec'd: September 5, 1957

11:30 p.m.

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Info

FROM: Guatemala City

TO: Secretary of State

NO: 86, September 5 7 p.m.

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Election developments to date leave definite margin favorable to Miguel Ortiz Passarelli. Nominated by MDN, endorsed by PUA and Liberals and presumably shortly by Christian Democrats, Ortiz began active campaign Sunday. With this political support, sufficient funds and facilities center of road policy continuation of Castillo economic and social programs and potential for personal buildup Ortiz should win.

Miguel Ydigoras Fuentes made impressive return to Guatemala Sunday. Supporters are completing party registration preparatory to formal nomination. With wealthy landowners behind him and appreciable popular support Ydigoras an experienced politician will make impressive showing.

Leftist professional groups are organizing Revolutionary Party ostensibly excluding Communists. Target to date appears to be Congressional seats rather than Presidency.

Numerous army officers and civilians have permitted their names to be proposed but there is little likelihood their being nominated by legally constituted political party.

Situation has many imponderables:

1. Can Ortiz in limited time build himself up with Guatemalan people failing which army might oppose Ortiz taking office;
2. Has Enrique Oliva acquiesced. He opposed Ortiz nomination and reportedly is not assisting in campaign;
3. Defense Minister Oliva asserts he controls armed forces but this should be discontinued since dissension exists in some quarters.

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some quarters where formation military junta continues to
be discussed.

Supporters believe Ortiz will win but are apprehensive Enrique
Oliva may engineer upset.

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SUBJECT: Presidential Candidacy of Miguel YDIGORAS Fuentes

As things shape up now, the only real opposition which administration candidate Miguel ORTIZ Passarelli is likely to encounter will come from General Miguel Ydigoras Fuentes, candidate of the Partido Reconciliación Democrática Nacional, popularly known as Redención. There is a possibility that one or two more candidates might be entered in the race but it is doubtful that they will be serious contenders.

Miguel Ydigoras Fuentes arrived in Guatemala on September 1, after resigning his post as Ambassador to Colombia. He was greeted at the airport by an impressive crowd, numbering many thousands. The large number of automobiles parked at the airport and along the approaches to it reflected the substantial support which Ydigoras enjoys among the propertied classes.

Prior to Ydigoras' arrival, some of his followers, lead by Guillermo DAVILA Cordova, had reorganized his old party, Redención, which backed him in the 1950 elections when he ran second to ARBENZ, with a vote of 68,000 to Arbenz' 243,000. On September 9 Redención made formal application to the electoral tribunal for registration as a legalized political party, presenting the names of 6,430 members in order to fulfill the minimum requirement of 5,000. It is expected that the electoral tribunal will grant legal status to Redención within the next few days.

During the past two weeks Ydigoras has done some campaigning in areas near the capital, including Antigua, Villa Nueva and Palín. Observers report out were impressive and compared favorably with those greeting Ortiz Passarelli in the same places.

During the week of September 1 Ydigoras met with the three Cabinet Ministers (Foreign Affairs, Defense, and Education) and the President Luis Arturo GUZMÁN LÓPEZ, and he declined Ydigoras' offer to keep him on in return for his support. The Foreign Minister also said that Ydigoras had made a similar offer to the Ambassador that

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to the Minister of Defense, who had similarly declined. Ydigoras told Embassy officers that he asked the Minister of Interior for guarantees during the elections.

Following the meeting between Ortiz and Ydigoras, the two men held a press conference during which they both emphasized that the purpose of the meeting had been primarily to demonstrate to the public that there were no deep rivalries between them and that they were both united in their opposition to communism. Ortiz stated, in reply to a question, that they had not discussed any electoral agreement or compromise.

It is evident that Ydigoras has been adopting a conciliatory attitude with regard both to leaders of the present Administration and to the Administration candidate for President. Thus far, the campaign has reflected this conciliatory attitude. There has been little mudslinging to date, although it is expected that the campaign may become bitter later on.

On September 10 Ydigoras called on Ambassador Sparks and explained his program to him, as he had the day before to other Embassy officers. He has already made public some parts of this program.

Ydigoras is basing his campaign on the slogan, "Literacy, bread (or tortillas), and health." He has also identified himself with the program of ex-President Carlos CASTILLO ARMAS. He emphasized to Ambassador Sparks his interest in continuing to cooperate with the United States in the mutual aid programs and he expressed gratitude to the United States Government for all it has done for Guatemala. He said that the aid program has not been adequately publicized in Guatemala and that there is a good deal of misunderstanding regarding it among the people. He intends to try to explain the purposes and scope of the program in some of his future campaign speeches.

Ydigoras says he will make a concerted effort to lower the cost of living in Guatemala by increasing production and productivity and by some fiscal modifications aimed at, among other things, reducing customs duties and instituting an income tax. At the same time he wishes to encourage private enterprise as much as possible, especially through dissipating the fears of investors that the Government will not pursue a consistent course. Ydigoras feels it most important to increase agricultural production and cites the fact that coffee production in Guatemala has been static for many years so that the country now is in sixth or seventh place as an exporter in contrast to the position of second place which it held years ago.

Ydigoras says he intends to reorganize the police forces along modern and technical lines. In particular, he wishes to engender in the public confidence in the law enforcement machinery and in the individuals who administer it. He is much disturbed about the fears

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which he finds among Guatemalans to speak their minds. He was impressed in Colombia by the way the police took care of little children in the parks while their mothers went shopping. He said this was a mark of the confidence of the Colombian people in their policemen. He hoped that a similar confidence could be engendered among the Guatemalan people.

Ydigoras has committed himself to allowing all Guatemalan exiles to return if he is elected. He says that there will be three doors open to the exiles: first, the large door of the fatherland and, secondly, the smaller doors to home or jail, as the case may be. He believes that no Guatemalan should be forced to live abroad and he feels that adequate measures can be adopted to deal with subversives within the country.

Ydigoras does not think that a large portion of the population is still infected with communism although he admits there are some scars left. He does not believe that the communist label should be applied to everyone who collaborated with the ARREVALO and ARBENZ regimes. He likes to tell the story of the Frenchman who, after World War II, said that "we Frenchmen want to see punished all those who collaborated with the enemy more than we did." He feels, too, that it would be futile to deny the great popular appeal which the social reforms of the so-called "revolutionary decade" (1944-1954) still have among the people. He cites the case of the Guatemalan who says: "Yes, Castillo Armas, unlike Arbenz, is giving the peasants land in fee simple, instead of in usufruct, but it was Arbenz who was the first to provide them with land in any form."

Ydigoras has stated publicly that he will, if elected, suppress the official press because he sees no reason why any government should need paid newspapermen to justify its existence. Similarly, he says he will reorganize the official publicity office along more efficient lines so as to eliminate its use as a medium of personal propaganda for the President.

In the labor field, Ydigoras has informed the Embassy that he will safeguard labor's rights, including the right to organize. He says he will cooperate with CRIT and will seek to apply in Guatemala some of the lessons he learned in foreign countries about labor-management relations. He emphasizes the importance of eliminating the psychology of the "class struggle" and of restraining labor from demanding so much that it may "kill the goose that lays the golden egg."

Ydigoras has stressed to Embassy officers his friendship for the United States, using, among other things the argument that his children were educated in U. S. schools. He is sensitive to rumors which his political opponents have encouraged to the effect that he is hostile to U. S. business interests and believes in dictatorship.

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In his public announcements he has made a special effort to portray himself as an exponent of democratic government.

With regard to the Catholic Church, Ydigoras' position has been somewhat equivocal. He says he is a Catholic and he has given some public evidence of sympathy for the Church's problems. However, it is reasonably clear from his private conversations that he tends towards the anti-clerical viewpoint of the Liberal tradition in Guatemala.

In a talk with Embassy officers, Ydigoras revealed his military program which he said he is confidentially making known to selected Army officers whom he feels he can trust. The program promises, among other things, that he will preserve military privileges, will provide adequate pensions, will allow Army officers a voice, insofar as possible, in the choice of the Minister of Defense and the Chief of Staff, and will train the Army in amphibious and jungle warfare for the purpose of preparing for the conquest of British Honduras. Although the program specifically mentions Ydigoras' sympathy with and confidence in Minister of Defense Juan Francisco OLIVA, Ydigoras stated that he had not made it known to the Minister.

In conversations with Embassy officers Ydigoras has expressed his conviction that the majority of the people are with him. However, he admits that the odds are against him because of the advantages which the official party enjoys through its connections with the Government and its access to the national treasury. He claims that orders have been issued to Departmental Governors, Mayors and other local officials throughout the country to work for the advancement of the Administration ticket. He also claims that Government money from the President's confidential funds is being used illegally to finance the campaign of the Administration coalition known as the Unión de Partidos Anti-corruptos. He says that he has documentary evidence that large sums of money, including one transfer of Q70,000, have been passed to the Ministry of Interior from the President's confidential funds for campaign purposes. He intends to publish evidence to this effect during the course of his campaign.

Ydigoras states that Government vehicles, loudspeakers and other facilities are being widely used in Ortiz' campaign. He charges that Indians, especially from the National Farms, are being trucked into the areas where Ortiz is campaigning and that this "human cattle" will be similarly utilized for voting purposes at election time. He says that he has had the opportunity of witnessing incognito Ortiz' campaign in Escuintla. He compares the candidate's caravan to those of circus entertainers, with the difference that the audience is brought along with the caravan.

Ydigoras also complains that Government employees sympathetic to his cause, especially those who have visited him personally, are

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being fired from their jobs. He has protested this publicly and intends to continue to do so. In the meantime, he has adopted the strategy of advising Government employees to join the Administration party, PAN, but to vote for him.

Ydigoras has informed the Embassy that if the Constitutional order is broken or if the Government resorts to fraudulent electoral procedures his followers are prepared to create a nation-wide stoppage by calling a sit-down strike (*huelga de brazos caidos*). He stated that he would not resort to revolution or use force in any form and that the resistance of his followers would be passive.

In the two weeks since Ydigoras has been in Guatemala, it has been evident that he has a considerable popular following. This following is especially noticeable among the propertied classes in Guatemala City and among planters and businessmen in the interior. However, there are also many workers and peasants who know Ydigoras' name and are ready to follow him. He appears to have made quite a name for himself as Director General of Highways under Ubico. He is particularly well-known in western Guatemala where he served as Governor (San Marcos and Retalhuleu) for many years.

Industrialists and planters like Ydigoras because they believe he will govern with a strong hand and will tend to favor their interests by suppressing labor agitation and political demagoguery. Rightists feel that he will deal more harshly with the communists and leftist oppositionists than did Castillo.

Poor people appear to follow him in large part because they consider that he proposes to be an efficient administrator and perhaps also because of the national appeal to the Guatemalan people of the *caudillo* or *caudero*. Many members of the working classes appear to feel that the regime has changed and is no longer an exponent of the *Unionista* type of government. Perhaps his greatest drawing power comes from the fact that he represents the opposition to *officialismo*. There is a widespread distaste among Guatemalans for officially sponsored candidates regardless of their merits or the merits of the Administration which backs them.

As Ydigoras himself says, he is working under a tremendous disadvantage in opposing the Administration's political machine. On the other hand, unlike the Administration candidate, he begins the campaign with an established following and with a name which is well known in Guatemala. Although it is unlikely that he will win the elections, there is every reason to believe he will make an impressive showing.

A dangerous situation could develop if Ydigoras proves strong enough to pull off a paralyzing sit-down strike as he has threatened to do in the event he loses (He stated to Embassy officers that

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losing the elections would be evidence enough of fraud). Such an
eventuality might provide justification to the Army for taking over.
It would be premature to predict at this time whether Ydigoras'
followers can carry out his threat. This will depend on the extent
to which the Administration candidate is able to build up popular
support. It also will depend on whether the public as a whole be-
lieves the elections are clean.

For the Ambassador:

William B. Connett, Jr.
First Secretary of Embassy

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Department becoming increasingly concerned over accumulation information indicating possible early action in Guatemala which might pave way for installation military junta or extreme rightist regime. Department opinion that deviation from constitutional procedures so far followed would mean turning back of clock which could lead to the beginning in Guatemala of another cycle of events similar to Ubico-Arevalo-Arbenz transitions.

in view reports possible trouble on September 15 and fact that September 19 deadline for announcement presidential candidates, Department believes Ambassador should in his discretion seek immediate interview with Defense Minister Juan Francisco Oliva and express to him our deep concern over these reports and urge tactfully that constitutional ~~process~~ continue to be followed. Oliva appears to be official indicated for this approach not only because strength his position but because his repeated statements ~~that~~ he supports constitutionality and because said not to be aware of reported activities his half-brother Enrique. Possibility exists he himself might be involved in, or at least aware of, some of reported machinations. ³⁾

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Ambassador may be able to discern his degree of complicity or knowledge. While approach must be careful, failure on our part to offer friendly, constructive advice could be regarded as lack of interest or concern and might tempt interested individuals to take action which would prejudice Guatemala's future. It may be stressed to Oliva that should constitution ~~be~~ violated it would have an adverse reaction among U.S. people and Congress who have generously supported Guatemala since fall of the Arana regime. Statements concerning importance of continuing Castillo's progress and direction (such as you have already made to Guatemalan officials) should also be repeated to Oliva.

Although Dominican meddling in Guatemalan affairs is only one part of the extreme rightist current which is causing us concern, Department nevertheless feels that the Dominican efforts at intervention should be frankly mentioned to Oliva. In this connection, it might be added that we are not aware of information which would indicate a serious threat from extreme leftist or communist elements, despite certain allegations to contrary by Dominicans.

Department intends to have discussion with Skinner Klee next week along same lines but now believes that prior approach to Oliva is justified in view possibility that any contemplated action might well be taken prior to September 19.

If Ambassador deems it advisable, he authorized follow up Oliva conversation with similar approach to President.

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